

The following statement about human services funding reductions was accepted by the Maricopa Association of Governments Regional Council on December 8, 2010.

Statement About Human Services Funding Reductions

To Elected Officials and Policymakers:

As elected officials and members of the Maricopa Association of Governments (MAG) Human Services Coordinating Committee, we are acutely aware of the shared sacrifices that have been made to address the recent downturn in the economy. Funding has been reduced for many worthy programs due to budget constraints. As a Committee dedicated to human services, it is important that we give voice to those who are suffering greatly in our region. Addressing the needs that exist in our region is not the sole responsibility of any one sector or agency. It is the collective responsibility we have for each other. By collaborating across all sectors and among all people, we can address the significant needs facing our region and strengthen our communities.

Life has changed dramatically as a result of the budget reductions to human services programs. Every day, thousands of people in this region live with more violence and poverty than ever before. Avenues to achieve self-sufficiency are harder to find without child care, job training, and health care to keep people healthy and productive. The safety net that has kept people working and housed is being dismantled when it is needed the most. According to Protecting Arizona's Family Coalition (PAFCO), impacts to the state include the following:

- Children and vulnerable older adults will be exposed to more violence, abuse, and neglect because the State will no longer investigate 100 percent of reports.
- Families attempting to work will face significant challenges in securing safe, affordable child care. There are currently 20,000 children on a wait list for child care. Additionally, child care copayments have been increased, making it more expensive for families with low incomes once they receive child care.
- Up to 39,000 people in Arizona have lost cash assistance entirely with the new 36 month lifetime limitation. Families who are able to receive benefits are receiving 20 percent less in the form of cash assistance, reducing the average monthly benefit to \$297 a month.
- Access to medicine has been severely diminished for 89,000 people with low incomes who lost prescription drug support as a result of 2009 budget cuts.
- More than 4,200 children are now ineligible to receive services through Medicaid.
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Funding reductions to human services programs may meet the short-term goal of reducing the budget, but they work against the long-term goal of building a strong community. The U.S. Census Bureau recently announced Arizona has the second highest poverty rate in the country. The number of people receiving food stamps jumped nearly 20 percent from August 2009 to August 2010 to include 1,047,779 people throughout the state, according to the Association of Arizona Food Banks. Additional funding reductions will place even more people in danger and impair the region's ability to rebound from the recession.

Funding for human services programs has decreased across the board. The Arizona Department of Economic Security has sustained 33 percent of general fund cuts throughout the last three

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years, according to PAFCO. In a MAG study, both nonprofit and local government agencies indicated they are straining under the current budget reductions to keep their doors open. More than three quarters of the respondents planned to eliminate services as a result of funding reductions. This is after 85 percent had reduced their overhead, 94 percent had increased fundraising efforts, and nearly 70 percent laid off staff.

Human services programs help people live more independently and to be less reliant on public assistance in the future. The Center on Budget and Policy Priorities reports people with low incomes spend nearly all their income to pay their bills, generally comprising local goods and services. In addition, every dollar spent on child care or job training yields nearly two dollars, according to Cornell University. According to the Center on Budget and Policy Priorities, cash assistance and food stamps yield the same return on investment. This money is put back into the economy when people pay for local goods and services. Tax revenue generated by these transactions flows back into the local economy as well. Funding human services programs benefits families as well as the local economy.

A strong local economy is reliant on productive workers and people spending money. Funding human services programs achieves both goals. When funding for human services programs is reduced, people are less productive and have less income to spend. Investing in human services programs helps to create vibrant communities and provides businesses with a ready and able work force. The economic impact these groups have on our region is undeniable. For example, the combined retail spending of low and moderate households in the region is equal to the retail spending of all residents in the entire West Valley. The retail spending power of older adults is equal to all residents in both Scottsdale and Surprise combined. People are not just clients of human services programs, they are paying consumers who support our economy.

Economists report the recession has ended, yet difficult decisions remain. In this time of need, it is imperative that government, nonprofit agencies, and private citizens all provide assistance to one another. By coordinating our activities and resources, we can create sustainable communities with healthy economies and productive citizens. Human services programs support this goal by maximizing each person's potential to live independently. In the months ahead, additional budget reductions may be necessary to balance the budget. We encourage all elected officials to consider the vital role human services plays in creating a strong community and economy. Our region and its residents will benefit from this consideration.